Allotment of Contracts to M/s. Som Dutt Builders

@*87. SHRI BIR BHADRA PRATAP SINGH:†
SHRI BHAGATRAM MANHAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem published in 'Navbharat Times', Delhi, dated 24th January, 1987 under the caption "Ja Par Kirpa Mantri Ki Hoi Yardan Theka Levi Soi";

(b) if so, what are the details thereof;

(c) whether it is fact that according to the above report, a private builder, M/s. Som Dutt Builders has been given preferential treatment in awarding a number of contracts ignoring the claims of a Government undertaking i.e., the National Building Construction Corporation; and

(d) if so, what is the number of projects entrusted to M/s. Som Dutt Builders and what are the reasons for ignoring the claims of the NBCC?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) to (d) The first meeting of the Indo-Jordan Trade and Economic Joint Committee was held from 8th February 1986 to 12th February 1986 at Amman, and it was agreed that with a view to monitor the progress under the Minutes of the Joint Committee, nodal agencies should be nominated by either side. From the Indian side, MMTC was so nominated.

M/s. Som Dutt Builders, in the first half of June 1986, approached the MMTC to collaborate with them in a road construction project, the information of which was given to them by their contacts in a third country who were hopeful of securing the contract. They estimated the cost of the project at US Dollar 100 million and informed that a part of the payment i.e., 50 per cent shall be by way of barter against import of fertilisers and since MMTC were importing fertilisers from Jordan, they thought that the Government of Jordan shall prefer their order on MMTC. Subsequently, in the middle of July 1986, after discussions with parties concerned they informed the MMTC that the Jordan Government may accept the barter payment upto the extent of 30 per cent. The project comprised of constructing a highway between Jafar-Bayer-Azraq for a total length of 180 Kms. They further intimated that the award of the contract was through negotiations only. Their contacts were confident of being able to secure the contract provided M/s. Som Dutt Builders had the support and guidance of MMTC. For the involvement of MMTC in the project they would get reasonable service charges.

It is thereafter that on 2-8-1986, the MMTC and Som Dutt Builders agreed to jointly participate for the above road building project in Jordan as a consortium and later the consortium accordingly made a detailed offer to the Jordanian Authority on 12-9-1986. In pursuance thereof, in the first week of October 1986, Ministry of Public Works, Jordan, issued a letter of preliminary acceptance of the offer subject to final negotiations on contract conditions etc. Subsequently they issued a Letter of Intent on 19-11-1986.

†The question was actually asked on the floor of the House by Shri Bir Bhadra Pratap Singh.

@Previously Starred Question 47, transferred from the 27th February, 1987.

National Building Construction Corporation came into the picture, pursuant to the newspaper reports in the middle of August 1986, purporting to inform that MMTC was set to bag the deal for the road construction project in Jordan and part of the payment was by way of barter in the form of import of fertilisers from Jordan.

Under the circumstances, it has to be stated that the MMTC has no role to play for the preferential treatment of any party so as it could be concluded that the claims of the National Building Construction Corporation were ignored.

It is pertinent to state that the MMTC submitted their prequalification offer for the civil works of the Aqaba power project, in the first part of June 1986, as per the tender invited by the Jordan Electricity Authority. MMTC specified that their joint venture partner in this bid were M/s. Natonal Building Construction Corporation Ltd. (NBCC). The Jordan Electricity Authority in their communication later did not short list NBCC for the said civil works in the prequalification list of potential civil works contractors, for the said project.

M/s. Som Dutt Builders in consortium with MMTC have only been awarded the Jafar-buyer-Azraq road project.

SHRI BIR BHADRA PRATAP SINGH: Sir, the name of the third country is concealed. The name of the contact man is concealed. May I know whether it is a fact that four per cent commission out of a public undertaking has been paid to a contact man and may I tell his name for the information of the Hon. Minister? He is Mr. K. N. Patil. May I know from the Hon. Minister how many Coomar Narains are going to deprive public undertakings of their money.

SHRI P. SHIV SHANKER: Sir, I am sorry that I have to be slightly restrained because this article has been written against me personally. But I must say that this newspaper report came to my notice only three days back. I find that MMTC seems to have given details to that paper as far back as on 11th February. But this paper seems to have been more than unfair to the MMTC, to the Ministry and to myself because I find that while they have published today that particular letter, important portions of the letter have been left out and also some of the relevant portions they have given as though there is no printing at all and it is a printing mistake. This is what has been done.

I would like to say that if it is a question of any investigation in this, I am entirely in the hands of the Chairman. The Chairman could talk to my leader and sort out how it should be done, because I am prepared for any enquiry, because this. I find, is an irresponsible type of journalism which has been indulged in. But on the question of the third person, I have given the details in the statement itself, and the position is that certain things it will not be possible to disclose especially with reference to what happens in the foreign country. I am clearly of the views, and this is one aspect which has come to my notice, that the MMTC which has got to export by way of counter trade, certain of goods of a private company in juxtaposition with public sector company. Now it is being stated that they should not carry out any counter trade. Now, the submission that I am making with reference to what has been asked for is, I would not like to disclose the name of the third person. But that third person is on the file and if the Chairman would like to know, I have no objection...

MR. CHAIRMAN: No, no.

SHRI P. SHIV SHANKER: That third person contacted this Som Dutt as I have explained the details, and I have said that it is the third person contacted and it is he who contacted Som Dutt. Som Dutt said they approached the MMTC as for back as June, which I never knew, and when I took up myself with the Minister of Trade in October, when the high-powered delegation and come to visit this country, the Minister of Trade said: 'If you would like to reopen this issue, we would like to with-hold the whole contract.' This is where I leave the matter. I am prepared.

SHRI BIR BHADRA PRATAP SINGH: When there is dealing between State and State, why are the private institutiins and private persons brought in? You could negotiate; you have the public sector undertakings. So, what is the reason for that?

SHRI P. SHIV SHANKER: In this case, the Jordanian Government wanted to offer this particular contract on the basis of negotiations, as I have already said. My public sector undertakings have got to have their understandings with the private companies also for the purposes of carrying out the counter trade. They export the goods. Now, if it is the desire ofthe House that the public sector undertakings should not have anything with the private companies, I am prepared to follow it, in which case we will lose tremendously so far as foreign trade is concerned. But if in every case the matter has got to be gone into that far as to impute motives, I would submit that this would be more than unfair not only to the public sector undertakings but to the public life in the country.

MR. CHAIRMAN: Shri Manhar.

SHRI ATAL BIHARI VAJPAYEE: How can we comprehend this question unless we know the name of the third party?

MR. CHAIRMAN: No, there are no third parties. The party who was the contractor was Som Dutt and Co.

SHRI ATAL BIHARI VAJPAYEE: This is in the question itself. The hon. Minister referred to another third party and he said he will not disclose it; but he is prepared to show you the name.

SHRI SHIV SHANKER: I have said...

MR. CHAIRMAN: You can't give; no.

SHRI M. S. GURUPADASWAMY: May I make a submission? I would not like this matter to be left like this, because I would like you as Chairman of the House to go into...

MR. CHAIRMAN: I am going to give an opportunity, Mr. Gurupadaswamy to put a question. At that time you can do it.

SHRI M. S. GURUPADASWAMY: There is no time left. Sir, I do not want my friend, the Minister, to be under cloud at all. I am also against taking a policy decision that no public sector organisation should have anything to do with the private sector. No.

MR. CHAIRMAN: Question Hour over, but Mr. Gurupadaswamy is allowed to make it as a statement. Go on please.

SHRI M. S. GURUPADASWAMY: I would not like to the Minister to be under cloud at all because there is an attack. I would like him to be cleared. This is my interest. I would request you, as the Chairman of the House, to go through the records and satisfy yourself whether there is any case which has been reported in the press, whether there is anything against the Minister or the Ministry concerned.

SHRI P. SHIV SHANKER: Sir, I would just like to make a submission on this. I had conceived of certain things myself. But I thought that I would have placed my colleagues in a case of this nature in a very embarrassing situation if I were to say. Sir, I am in your hands. The papers are here with me. You may kindly look into them and if you think that any enquiry should be instituted, I am also prepared for it provided you discuss it with my leader. I am prepared for anything in this case because this is a matter which has hurt me. I would not like to be unduly sensitive.

MR. CHAIRMAN: I will go into the whole matter.

SHRI M. S. GURUPADASWAMY: Sir, you may like to go through the records.

MR. CHAIRMAN: That is why I said I will go into the whole matter. Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Nuclear Programme of Pakistan

*84. SHRI RAM NARESH KUSHAWAHA:
SHRI V. NARAYANASAMY:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government are aware of the continuing efforts by Pakistan to produce nuclear weapons as is evident from the reported statement of the US Ambassador to Pakistan, Mr. Dean Hinton to the effect that Pakistan was not limiting its nuclear programme strictly to peaceful objectives;

(b) if so, what is Government's reaction thereto; and

(c) whether there is a proposal to review the country's nuclear policy to meet the situation; if so, what are the details thereof?

The MINISTER OF EXTERNAL AFFAIRS (SHRI NARAYAN DATT TIWARI): (a) Yes, Sir.

(b) and (c) Government are concerned at the non-peaceful dimensions of Pakistan's nuclear programme. A constant watch is being kept on this aspect as on all others having a bearing on India s security.

Pilot export test house in Bombay

*88. DR. RATNAKAR PANDEY:
SHRI MAHENDRA PRASAD:

Will the Minister of COMMERCE be pleased to state:

(a) whether a pilot export test house is being set up in Bombay;

(b) if so, what are the details and cost of the Project; and

(c) by when the same is expected to be commissioned?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER): (a) Yes, Sir.

(b) the Test House will have three major sectional laboratories mechanical, electrical and chemical with 13 sub-sections for testing of products for various characteristics. The project is provisionally estimated to cost about Rs. 260 lakhs.

(c) by the end of March, 1988.

Export of cotton by Maharashtr

*89 SHRI VITHALRAO MADHAVRAO JADHAV:
SHRI RAOOF VALJULLAH:

Will the Minister of TEXTILES be pleased to state:

(a) what is the demand of Maharashtra Government for the export of cotton bales abroad;